BEST AVAILABLE IMAGES

Defective images within this document are accurate representations of the original documents submitted by the applicant.

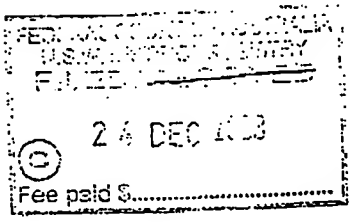
Defects in the images may include (but are not limited to):

- BLACK BORDERS
- TEXT CUT OFF AT TOP, BOTTOM OR SIDES
- FADED TEXT
- ILLEGIBLE TEXT
- SKEWED/SLANTED IMAGES
- COLORED PHOTOS
- BLACK OR VERY BLACK AND WHITE DARK PHOTOS
- GRAY SCALE DOCUMENTS

IMAGES ARE BEST AVAILABLE COPY.

As rescanning documents *will not* correct images, please do not report the images to the Image Problem Mailbox.

IN THE FEDERAL COURT OF AUSTRALIA
NEW SOUTH WALES DISTRICT REGISTRY No.1260 of 2002



MICROSOFT CORPORATION
First Applicant

MICROSOFT PTY LTD
(ABN 29 002 589 460)
Second Applicant

INTERTRUST TECHNOLOGIES CORPORATION
Respondent

AMENDED PARTICULARS OF INVALIDITY

(Filed pursuant to leave of Lindgren J given on 22 December 2003)

The following are the particulars of the grounds of invalidity of Australian Letters Patent No. 728776 (the "**Patent**").

Priority Date

1 The onus is on the respondent patentee to establish that any of the claims of the Patent are entitled to a priority date earlier than 25 February 1998, the date of filing of the specification for the Patent in Australia. The applicants does not accept 25 February 1997 is the priority date of the Patent. When the term "priority date" is used below it refers to 25 February 1997 or any later date and is without prejudice to this contention.

Lack of Novelty

2 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the *Patents Act 1990* (the "Act") in that, in so far as claimed in each claim, it was not novel when compared with the prior art base as it existed before the priority date of each claim.

Filed on behalf of the Applicants by:
MALLESONS STEPHEN JAQUES
Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

DX 113, SYDNEY
Tel: (02) 9296 2000
Fax: (02) 9296 3999
Ref: KAO:NRM:04-5083-4350
6154759

Particulars

(i) The applicants will rely on the prior art information made publicly available prior to the priority date~~The alleged invention was not novel by reason of prior art information made publicly available~~:

(a) in each of the ~~by the publication of each of the~~ documents referred to in Annexure "A", published~~prior to the priority date,~~ on or about the date specified in Annexure "A"; and

(b) through the doing of each of the acts referred to in Annexure "B".

(ii) The prior art information relied on by the applicants includes prior art information made publicly available in any 2 or more documents referred to in Annexure "A" that are related, and through the doing of any 2 or more acts referred to in Annexure "B" that are related, to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of that information.

(iii) ~~.~~The applicants reserves the right to add further instances of prior art information to Annexure "A" or Annexure "B".

Lack of Inventive Step

3 The alleged invention as claimed in each claim of the Patent is not a patentable invention within the meaning of the Act in that it did not involve an inventive step when compared with the prior art base as it existed before the priority date of each claim.

Particulars

(i) The applicants will rely on the common general knowledge of persons skilled in the relevant art in Australia as at the priority date ~~(including any admissions contained in the specification)~~, including (without limitation):

(a) the admissions contained in the specification of the Patent; and

(b) ~~either alone or in combination with~~ the prior art information made publicly available prior to the priority date:

(I) -in each ~~any one~~ of the documents referred to in Annexure "~~C~~B" ~~prior to the priority date~~, published on or about the date specified in Annexure "~~C~~B"; and

(II) through the doing of each of the acts referred to in Annexure "D".

(ii) The applicants will rely on the common general knowledge considered together with:

(a) any one item of prior art information referred to in paragraph 3(i) above; or

(b) a combination of any 2 or more pieces of prior art information referred to in paragraph 3(i) above, to the extent that the relationship between the documents or acts is such that a person skilled in the relevant art in the patent area would treat them as a single source of that information. ,

insofar as such prior art information does not form part of the common general knowledge.

(iii) The applicants reserves the right to add further instances of prior art information to Annexure "~~C~~B" or Annexure "D".

Section 40, *Patents Act 1990*

Lack of definition

4 The specification does not comply with section 40(2)(b) of the Act in that the alleged invention that is the subject of the Patent is not defined in the claims.

Particulars

(i) Claims 1-20 claim a method of using a "descriptive data structure", which method is not otherwise disclosed in the specification.

(ii) Claims 21-44 claim a method of creating a "first secure container", which method is not otherwise disclosed in the specification.

(iii) Claims 45-57 claim a "distributed data processing arrangement", which arrangement is not otherwise disclosed in the specification.

(iv) The applicants repeats paragraphs (ii) – (~~xi~~xxix) of the particulars to paragraph 6 below.

Lack of Clarity

5 The specification does not comply with section 40(3) of the Act in that the claims of the specification are not clear and succinct.

Particulars

(i) Claims 1-57 are unclear as the meaning of the term "descriptive data structure" is unclear.

(ii) Claims 1-57 are unclear as the meaning of the term "secure" is unclear.

(iii) Claims 1-57 are unclear as the meaning of the term "secure container" is unclear.

(iv) Claims 1-57 are unclear as the meaning of the term "rule" is unclear.

(v) Claims 10-14, 21-44 and 51-54 are unclear as the meaning of the term "metadata" is unclear.

~~(vi) Claims 21-44 are unclear as the meaning of the term "said first container contents" is unclear.~~

~~(vii)~~(vi) Claims 1-20, 24-30 and 45-57 are unclear as the meaning of the term "data processing arrangement" is unclear.

~~(viii)~~(vii) Claims 1-20 and 24-30 are unclear as the meaning of the word "site" is unclear.

(viii) Claims 1-20 are unclear as the meaning of the word "remote" is unclear.

(ix) Claims 1-20 are unclear in that they do not specify what, or who, at the remote site (or sites) does the sending of the secure containers.

~~(viii) Claims 7-14 are unclear as the meaning of the term "descriptive data structure interpreter" is unclear.~~

~~(ix) Claims 9-14 are unclear as the meaning of the term "element identifier" is unclear.~~

~~(xi)~~(x) Claims 20, 44 and 57 are unclear as the meaning of the term "secure electronic appliance" is unclear.

(xi) Claims 21-44 are unclear as the term "desired" is unclear.

(xii) Claims 21-44 are unclear as they require content to be organised before it is created.

(xiii) Claims 21-44 are unclear as the meaning of the phrase "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents" is unclear.

~~(xii)~~(xiv) Claims 36 and 37 are unclear as the meaning of the term "atomic transaction" is unclear.

~~(xiii)~~(xv) Claims 45 to 57 are unclear as the meaning of the term "distributed data processing arrangement" is unclear.

~~(xiv)~~(xvi) Claims 45 to 57 are unclear as the meaning of the term "data processing apparatus" is unclear.

Lack of Fair Basis

6 The specification does not comply with the requirements of section 40(3) of the Act in that the claims of the specification are not fairly based on the matter described in the specification.

Particulars

(i) In so far as the claims purport to describe a method, process or arrangement that is not described in the body of the specification, the claims are not fairly based thereon.

(ii) In so far as claims 1 to 20 purport to claim methods of using a "descriptive data structure", those claims are not fairly based on the body of the specification as the use of such "descriptive data structures" is not disclosed.

(iii) Further and in the alternative to (ii), in so far as claims 1 to 20 purport to claim methods of using a descriptive data structure involving two "secure containers", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "descriptive data structure" is used in the manner claimed.

~~(iv)~~

(iv) In so far as claims 21 to 44 purport to claim methods of creating a "secure container", those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such a "secure container" can be created in the manner claimed.

(v) In so far as claims 45 to 57 purport to claim distributed data processing arrangements, those claims are not fairly based on the body of the specification as there is no disclosure of the means whereby such "distributed data processing arrangement" can be created in the manner claimed.

(vi) In so far as claims 1 to 44 purport to claim methods for using or accessing "descriptive data structures" other than by the use of central processing units, they are not fairly based on the body of the specification.

(vii) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of "descriptive data structures" comprising machine readable text.

(viii) Claims 1-57 are not fairly based on the body of the specification to the extent that they do not require "tools" for the creation or use of "secure containers" where such "tools" are not themselves "secure" as those terms are used in the specification.

(ix) Claims 1-57 are not fairly based on the body of the specification to the extent that they purport to claim the use of different "descriptive data structures" in creation and post-creation processes.

(x) Claims 1 to 57 are not fairly based on the body of the specification in so far as they purport to claim a secure container.

(xi) Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim receipt of secure containers at a communications port.

(xii) Claims 1 to 20 are not fairly based on the body of the specification in so far as they purport to claim "a requirement that at least some information relating to said use or access be at least temporarily stored".

~~(x)~~(xiii) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim "metadata" information specifying steps required or desired in the

creation of a "first secure container" other than the steps specified in the specification.

(xiv) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a "desired" organization and/or step.

(xv) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim a method whereby one accesses a descriptive data structure "including or addressing organisation information at least in part describing a required or desired organization of a content section of said first secure container, and metadata information at least in part specifying at least one step required or desired in creation of said first secure container".

(xvi) Claims 21-44 are not fairly based on the body of the specification in so far as they purport to claim the generation or identification of "at least one rule designed to control at least one aspect of access to or use of at least a portion of said first secure container contents."

(xvii) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a central processing unit.

(xviii) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim two memories.

(xix) Claims 45-57 are not fairly based on the body of the specification in so far as they purport to claim a memory storing a secured container.

(xx) Claims 45-57 are not fairly based on the body of the specification to the extent that they purport to claim a distributed data processing arrangement in which the second data processing apparatus has a means to receive "at least a portion of" a descriptive data structure.

(xxi) Claims 1 to 20, 24 and 27 are not fairly based on the body of the specification to the extent that they purport to claim a communications port.

(xxii) Claims 14 and 31 are not fairly based on the body of the specification to the extent that they purport to claim information identifying an owner or creator.

(xxiii) Claim 39 is not fairly based on the body of the specification to the extent that it purports to claim a payment required for use of a descriptive data structure.

(xxiv) Claim 48 is not fairly based on the body of the specification to the extent that it purports to claim an operating system that is compatible with at least one version of Microsoft Windows.

(xxv) Claim 54 is not fairly based on the body of the specification to the extent that it purports to claim a third memory.

(xxvi) Claims 18, 42 and 55 are not fairly based on the body of the specification to the extent that they purport to claim rules about auditing.

(xxvii) Claims 19, 43 and 56 are not fairly based on the body of the specification to the extent that they purport to claim rules about budgeting.

~~(xi)~~(xxviii) Claims 1 – 57 are not fairly based on the specification in that they travel beyond the matter described in the specification.

Manner of manufacture

7 The alleged invention as claimed in the Patent is not a patentable invention within the meaning of the Act in that, in so far as claimed in each claim, it is not a manner of manufacture within the meaning of section 6 of the Statute of Monopolies.

Particulars

(i) There is no invention disclosed on the face of the specification;

(ii) The alleged invention is a mere collocation of known integers and there is no working interrelationship between those integers which leads to a patentable invention;

(iii) The alleged invention merely claims allegedly new methods of using a known contrivance, being a descriptive data structure;

~~(iv)The alleged invention consists merely of directions as to how to operate a known machine to carry out a known process to produce an old result;~~

~~(v)To the extent that the alleged invention is limited to particular uses of computer hardware and software, it consists of no more than the use of conventional means (being computer hardware and software) to produce a desired result; or~~

~~(vi)The alleged invention is a mere scheme, plan or rule or method of doing business.~~

~~(viii)~~(iv) The alleged invention is one or more mere *desiderata*.

ORIGINAL DATE: 27 November 2002

AMENDED DATE: 24 December 2003

Kim Anne O'Connell
Mallesons Stephen Jaques
Solicitor for the Applicants

ANNEXURE A

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection" ~~WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"~~	18 September 1996
~~2~~2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
~~3~~3	AU 711,733, "Systems and methods for secure transaction management and electronic rights protection" ~~Such further particulars as are later provided~~	18 September 1996
4	International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (SGML)"	October 1986
5	Goldfarb, C., "The SGML Handbook", Oxford University Press	1990
6	WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage"	8 August 1996
7	Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593.	28 June 1996
8	EP 0 715 245 A1, "System for controlling the distribution and use of digital works"	5 June 1996
9	Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5"	15 July 1993
10	Such further particulars as are later provided	

ANNEXURE B

No.	Act
1	Use of the Standard Generalized Markup Language (SGML)
2	Use of the Dublin Core metadata set
3	Use of the Warwick Framework
4	Such further particulars as are later provided

ANNEXURE CB

No.	Citation	Date of Publication
1	WO 96/27155, "Systems and methods for secure transaction management and electronic rights protection"	18 September 1996
2	Olin Sibert, David Van Wie and David Bernstein, "Digibox: A Self-Protecting Container for Information Commerce"	July 1995
3	AU 711,733, "Systems and methods for secure transaction management and electronic rights protection" ~~Such further particulars as are later provided~~	18 September 1996
4	International Standard ISO 8879:1986, "Information processing - Text and office systems - Standard Generalized Markup Language (SGML)"	October 1986
5	Goldfarb, C., "The SGML Handbook", Oxford University Press	1990
6	WO 96/24092, "Method and system for managing a data object so as to comply with predetermined conditions for usage"	8 August 1996
7	Carl Lagoze, Clifford Lynch and Ron Daniel, "The Warwick Framework: A Container Architecture for Aggregating Sets of Metadata", Cornell University Computer Science Technical Report TR96-1593.	28 June 1996
8	EP 0 715 245 A1, "System for controlling the distribution and use of digital works"	5 June 1996
9	Jan Harris, Ira Ruben, "Bento Specification - Revision 1.0d5"	15 July 1993
10	Kim, W., et. al (ed) "Object-Oriented Concepts, Databases, and Applications", ACM Press, 1989	1989
11	Peterson, G. (ed), "Object-Oriented Computing, Volume 1: Concepts", Computer Society Press of IEEE, Washington, USA, 1987	1987
12	Ledgard, H., "The Little Book of Object-Oriented Programming", Prentice Hall, 1996	1996
13	Kim, W., "Object-Oriented Databases: Definition and Research Directions", IEEE Transactions on Knowledge and Data Engineering, Vol. 2, No. 3, Sep 1990	September 1990
14	Nyanchama G., et. al, "Mandatory Security in an Object-Oriented Database" University of Western Ontario, 1992	1992
15	Bancilhon F., et. al (ed.),"Building an Object-Oriented Database System: the story of O2", Morgan Kaufmann Publishers, California, 1992	July 1992
16	Wade, A., "The ODBMS Role in 64 bit Distributed Client-Server Computing", Electro International,	1994

	1994	
17	Hardjono T., et. al, "A New Approach to Database Authentication", Research and Practical Issues in Databases: Proceedings of the Third Australian Database Conference (Database '92), pages 334-342, 1992	February 1992
18	Erickson, J., "A Copyright Management System for Networked Interactive Multimedia", Proceedings of the Dartmouth Institute for Advanced Graduate Studies, May 30-June 2, 1995, Boston	June 1995
19	Kaplan, M., "IBM Cryptolopes™, SuperDistribution and Digital Rights Management", IBM T.J. Watson Research Center, 1996	December 1996
20	Kaplan, M., et al, "Digital Signatures for Software: Technical Requirements and a Proposal", IBM T.J. Watson Research Center, April 1996	April 1996
21	Such further particulars as are later provided	

ANNEXURE D

No.	Act
1	Use of the Standard Generalized Markup Language (SGML)
2	Use of the eXtensible Markup Language (XML)
3	Use of the Dublin Core metadata set
4	Use of the Warwick Framework
5	Use of Bento containers
6	Use of IBM Cryptolopes
7	Use of object-oriented languages and databases
8	Such further particulars as are later provided